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INTERNATIONAL ECONOMIC COMPARISONS

Summary of U.S. Economic Conditions

Recent data released by the U.S. Department of Commerce show gains in retail sales, in new orders for durable goods, and in housing construction. It is too early to tell whether these gains signal the beginning of recovery. However, major forecasters point to an upturn starting the second half of the year.

January 1992 sales of retail goods edged up 0.6 percent after increasing 0.1 percent in December 1991. Retail sales were bolstered by falling food and energy prices that held down the increase in the general consumer price index to 2.6 percent in the 12-month period ending January 1992. The Federal Reserve sees that the fall in consumer prices and the decline in key interest rates could result in a strengthening of sagging consumer confidence and a sustained increase in consumer spending, a key to economic recovery. Furthermore, durable goods orders rose 1.5 percent in January following a revised decline of 5.1 percent in December. Orders for durable goods major components rose markedly. Orders for nonelectric machinery rose 6.3 percent, orders for transportation equipment rose 1.2 percent, and orders for capital nondefense goods rose 9.1 percent. Equally important are the gains in housing starts, which rose 5.5 percent in December 1991, signalling that the decline in mortgage rates might be working its way into the housing sector.

Moreover, lower interest rates are lowering corporate financing costs, thus helping corporations boost their profits, which had suffered declines in the past year. Bank profits are also expected to rise due to the reduction in legal reserve requirements, thus allowing banks more money to lend.

These gains prompted the Federal Reserve to express cautious optimism that the economy might have started recovering. The Federal Reserve forecasts an economic growth rate of between 1.75 percent and 2.5 percent from the fourth quarter of 1991 to the fourth quarter of 1992 and an unemployment rate of 7.0 percent in 1992.

Meanwhile, the Organization for Economic Cooperation and Development (OECD) foresees an economic rebound in the OECD countries in the second quarter of 1992 and stronger growth in 1993. The OECD projected in their semiannual *Economic Outlook* report that the U.S. economy will expand in the second half of 1992 by 3.7 percent (in real terms and at an annual rate) after growing by 1.8 percent in the first half. The real growth rate will average 2.2 percent for the whole of 1992. The OECD also forecasts that Japan's economy will grow in 1992 by 2.4 percent in real terms, and Germany's economy will grow by 1.8 percent. The 1992 real growth rate in OECD Europe will reach 2.0 percent, and for the 24 OECD countries real growth rate will reach 2.2 percent. The OECD foresees more vibrant growth in 1993, when the U.S. economy would grow in 1993 by 3.8 percent in real terms, Japan's economy by 3.5 percent, and Germany's economy by 2.5 percent. Real economic growth in OECD Europe would average 2.7 percent, and in the 24 OECD countries real growth would average 3.3 percent. Declining interest rates in the United States and the moderation of these rates in other countries are a major force propelling growth, according to the OECD view. Other forces favorable to recovery are rising business profitability, the unified European market, and expanding world trade.

The OECD expects inflation to remain modest through 1993. In the United States prices are expected to increase by 3.0 percent in 1992, and by 2.9 percent in 1993. In Japan, prices will increase by 2.8 percent in 1992 and by 3.7 percent in 1993. In Germany, prices will increase by 4.5 percent in 1992 and by 3.9 percent in 1993.

Unemployment should decline to 6.7 percent in 1992 and to 6.1 percent in 1993 in the United States and remain unchanged in other OECD major industrial countries, according to the OECD forecast. Japan's unemployment rate would remain at 2.3 percent in 1992 and 1993. Germany's rate would edge up to 5.1 percent from 5.0 percent. OECD Europe's unemployment rate would reach 9.3 percent in both 1992 and 1993.

The assumptions underlying the OECD forecast include stable exchange rates between the dollar, the deutsche mark, and the yen; stable oil prices of $18.5 to $19 a barrel in real terms; and unchanged fiscal or monetary policies in major OECD industrial countries.

Export surge was the brightest spot in the U.S. economy in 1991. Exports surged by 7.2 percent over the year, reducing the trade deficit by 35 percent to $66.2 billion, its lowest level since 1983. Exports increased to $421.9 billion in 1991 from $393.6 billion in 1990. Imports declined to $488.1 billion from $495.3 billion.

Economic Growth

The rate of real economic growth is measured by the changes in real gross domestic product (GDP); the output of goods and services produced in the United States in 1987 prices. GDP increased in the fourth quarter of 1991 by 0.3 percent at an annual rate, down from revised rates of increase of 1.8 percent and 1.4 percent in the second quarter.

The annualized rate of real economic growth in the fourth quarter was -1.4 percent in Germany and 0.7 percent in the United Kingdom. The real growth rate in the third quarter of 1991 was 3.3 percent in France, 0.9 percent in Canada, 1.6 percent in Japan, and 0.2 percent in Italy.

Industrial Production

Seasonally adjusted U.S. industrial production declined in nominal terms by 0.9 percent in January 1992 after falling by 0.4 percent in December and by 0.2 percent in November 1991. A drop of about 8.0 percent in the output of motor vehicles and parts accounted for most of the decline. After increasing by 2.6 percent in the second and by 6.6 percent in the third quarter of 1991, seasonally adjusted U.S. industrial production declined by 0.5 percent in the fourth quarter of 1991. The January 1992 index at 106.7 percent was about even with the January 1991 index level. Capacity utilization in manufacturing, mining, and utilities slipped 0.8 percentage point in January 1992 to 78.0 percent.

Other major industrial countries reported the following annual growth rates of industrial production. For the year ending December 1991, Germany reported a decrease of 0.8 percent, Japan reported a decrease of 1.4 percent, France reported an increase of 2.6 percent, and the United Kingdom reported a decrease of 0.1 percentage. For the year ending November 1991, Canada reported an increase of 0.1 percent, and Italy reported an increase of 1.3 percent.

Prices

The seasonally adjusted U.S. Consumer Price Index rose by 0.1 percent in January 1992 after rising by 0.3 percent in December and by 0.4 percent in November 1991. The consumer price index rose by 2.6 percent during the 12 months ending January 1992. Falling energy costs, the slow rise in food prices and the recession combined to hold down the rise in the overall consumer price index. During the year ending January 1992, consumer prices increased by 4.0 percent in Germany, by 6.1 percent in Italy, and by 4.1 percent in the United Kingdom. During the year ending December 1991, consumer prices increased by 3.8 percent in Canada, by 3.1 percent in France, and by 2.7 percent in Japan.

Employment

The seasonally adjusted rate of unemployment in the United States remained unchanged at 7.1 percent in January 1992 from December 1991, but was up from 6.9 percent in November 1991. In January 1992, unemployment was 6.3 percent in Germany and 10.4 percent in Canada. In December 1991, unemployment was 9.2 percent in the United Kingdom, 9.8 percent in France, 2.2 percent in Japan, and 10.7 percent in Italy. (For foreign unemployment rates adjusted to U.S. statistical concepts, see the tables at the end of this issue.)

Forecasts

Major forecasts point to a moderate rebound of economic growth starting the second quarter followed by a stronger growth in the second half of 1992. Moderating the economic recovery in the first half of 1992 will be the general slowdown in the global economic growth (particularly in industrialized countries), a sagging consumer confidence, the expected sluggish rise in consumer spending (particularly on durable goods), and an expected low rise in capital investment. Table 1 shows macroeconomic projections for the U.S. economy for January to December 1992, by four major forecasters, and the simple average of these forecasts. Forecasts of all the economic indicators except unemployment are presented as percentage changes over the preceding quarter, on an annualized basis. The forecasts of the unemployment rate are averages for the quarter.

Several factors appear to be working in favor of stronger growth in the second half of 1992. These factors include: (1) an expected surge in consumer spending in the second half of 1992 due to the decline in interest and inflation rates, (2) an expected surge in export growth as a result of the increase in U.S. competitiveness due to the moderation of the foreign value of the dollar, and (3) the anticipated improvement in the industrial countries' economic conditions, which should increase foreign demand for U.S. exports. The buildup of the currently low level of business inventories could propel the recovery in the industrial sector. The average of the forecasts points to a slight decline in the unemployment rate in the second half of 1992. Inflation (as measured by the GDP deflator) is expected to rise in the first quarter of 1992, to slow in the second and the third, and to rise again in the remainder of the year.

U.S. TRADE DEVELOPMENTS

The seasonally adjusted U.S. merchandise trade deficit increased from $4.2 billion in November to $5.9 billion in December 1991. A surge in December imports and a decline in exports accounted for the worsening in the monthly balance. Exports declined by $809 million to $36.1 billion in December and imports increased by $956 million to $42.1 billion. The yearly balance, however, showed marked improvement. The trade deficit dropped by 35 percent from $101.7 billion in January-December 1990 to $66.2 billion in 1991. A surge in exports and a drop in imports led to the improvement in the yearly trade balance.

Seasonally adjusted U.S. merchandise trade in billions of dollars as reported by the U.S. Department of Commerce is shown in table 2.

Table 1
Projected quarterly percentage changes of selected U.S. economic indicators, January-December 1992

Quarter	*UCLA Business Fore-casting Project*	*Merrill Lynch Capital Markets*	*Data Resources Inc.*	*Wharton E.F.A. Inc.*	*Mean of 4 fore-casts*
	GDP current dollars				
1992					
January-March	1.2	2.8	3.7	1.4	2.3
April-June	1.8	5.7	6.0	4.0	4.4
July-September	4.8	7.1	7.4	6.1	6.4
October-Decembe	6.1	6.8	7.0	5.9	6.5
	GDP constant (1987) dollars				
1992					
January-March	-1.0	-1.0	-1.1	-1.1	-1.1
April-June	0.4	2.4	2.8	2.8	2.1
July-September	2.7	3.4	3.9	3.6	3.4
October-December	3.5	3.2	3.7	3.2	3.4
	GDP deflator index				
1992					
January-March	2.2	3.9	3.7	2.5	3.1
April-June	1.4	3.3	3.1	1.2	2.3
July-September	2.0	3.6	3.3	2.4	2.8
October-December	2.5	3.5	3.2	2.7	3.0
	Unemployment, average rate				
1992					
January-March	7.4	7.2	7.2	7.2	7.3
April-June	7.5	7.1	7.2	7.4	7.3
July-September	7.6	6.9	6.9	7.5	7.2
October-December	7.5	6.8	6.7	7.4	7.1

Note.—Except for the unemployment rate, percentage changes in the forecast represent compounded annual rates of change from preceding period. Quarterly data are seasonally adjusted. Date of forecasts: Feb. 1992.

Source: Compiled from data provided by The Conference Board. Used with permission.

Table 2
U.S. merchandise trade, seasonally adjusted

Item	*Exports*		*Imports*		*Trade balance*	
	Nov. 91	*Dec. 91*	*Nov. 91*	*Dec. 91*	*Nov. 91*	*Dec. 91*
Current dollars—						
Including oil	36.9	36.1	41.1	42.1	-4.2	-5.9
Excluding oil	36.9	36.1	38.3	39.2	-1.4	-3.1
1987 dollars	34.6	34.0	38.0	39.1	-3.4	-5.1
Three-month-moving average	36.5	36.7	42.3	42.2	-5.8	-5.5
Advanced-technology products (not seasonally adjusted)	9.3	9.0	5.3	5.8	+4.1	+3.2

Source: U.S. Department of Commerce News, FT 900, February 1992

The December 1991 deficit was 7.3 percent higher than the $5.5 billion average monthly deficit registered during the previous 12-month period and 6.4 percent lower than the $6.3 billion deficit registered in December 1990. When oil is excluded, the December 1991 merchandise trade deficit increased by $1.7 billion from the previous month.

Nominal export changes and trade balances on a monthly and year-to-date basis for specified major commodity sectors are shown in table 3. The other manufactured goods grouping, organic chemicals, automatic data processing and office machinery, and power-generating machinery recorded increases from November to December 1991. Airplanes led the sectors that recorded trade surpluses in January-December 1991, followed by scientific instruments, airplane parts, and specialized industrial machinery. The U.S. agricultural trade surplus declined to $1.87 billion in December from $2.1 billion in November 1991.

U.S. bilateral trade balances on a monthly and year-to-date basis with major trading partners are shown in table 4. From November to December 1991, the United States registered declines in bilateral merchandise trade deficits with Canada, the European Free Trade Area (EFTA), the Newly Industrializing Countries (NICs)[1], China, and the Organization of Petroleum Exporting Countries (OPEC). The U.S. trade surpluses with the EC, Western Europe, and the Commonwealth of Independent States (C.I.S.) declined slightly. From January-December 1990 to the corresponding period in 1991, the United States registered substantial declines in its bilateral trade deficits with Germany, Canada, the NICs, and OPEC. The U.S. deficits with Japan and China increased, whereas U.S. trade surpluses with the EC, Western Europe and the C.I.S. increased substantially over the period.

INTERNATIONAL TRADE DEVELOPMENTS

GATT Trade Panel Finds Deutsche Airbus in Violation of the Subsidies Code

On January 15, a GATT panel ruled that the German Government was violating the GATT Subsidies Code by providing exchange rate guarantees to the aircraft component manufacturer Deutsche Airbus (See *IER*, April 1991). If the panel's findings are accepted by the 22-nation GATT Committee on Subsidies and Countervailing Measures, Germany would be required to stop payments under the guarantee scheme, but would not necessarily be required to arrange restitution payments.

The German Government exchange rate guarantee scheme arose in 1988 as part of its efforts to (1) privatize Messerschmitt Bolkow-Blohm (MBB), of which Deutsche Airbus is a wholly owned subsidiary, and (2) to merge MBB with Daimler-Benz. The German Government agreed to cover the financial risks of current and future projects through 2000 by offsetting adverse exchange rate fluctuations between the German mark, in which production costs are incurred, and the U.S. dollar, the currency of the civil aviation market.

Concerned that this scheme was cushioning the German aircraft component industry from the effect of the weakening dollar and decreasing the competitiveness of U.S. aircraft components, the U.S. Government requested that a GATT dispute settlement panel investigate the guarantee scheme in February 1991. The United States alleged that in 1990, the German Government distributed 390 million Deutschemarks ($244.4 million) to Daimler-Benz under the guarantee scheme, resulting in an average subsidy of about $2.5 million for each completed aircraft delivered in 1990.

The U.S. complaint about the German exchange rate guarantee scheme is part of a larger dispute between the United States and the European Community over subsidies to Airbus Industrie, a four-nation consortium of airplane manufacturers. Deutsche Airbus and Aerospatiale S.A. of France are the largest shareholders in Airbus Industrie, with a nearly 40-percent share each, followed by British Aerospace PLC and Construcciones Aeronauticas S.A. (CASA) of Spain. Deutsche Airbus provides components to Airbus Industrie, which assembles the final aircraft in France.

A U.S. Government study has estimated that financial commitments to Airbus member companies have totaled $13.5 billion in direct government support during the 20-year existence of Airbus (See *IER*, April 1991). The study notes that between 1980 and 1989, the U.S. share of the large commercial aircraft market dropped from 87 to 64 percent, while the Airbus share rose from about 7 to 27 percent. The U.S. Government is concerned that this success could encourage other heavily subsidized consortia in high-technology industries.

The recent GATT panel report provides support for the U.S. position by finding that the German guarantee scheme constitutes an export subsidy in violation of article 9 of the Subsidies Code, which prohibits exchange risk programs specified in item (j) of the Illustrative List of Export Subsidies. The panel defined the term "export" to include the movement of goods between contracting parties. Since the member states of the EC continue to be contracting parties to the GATT, goods moving between Germany and France constitute exports. Furthermore, the panel rejected an EC argument that transactions between corporate partners did not constitute exports, noting that even transactions within a single company were counted as exports.

There remains a possibility that the European members of GATT may move to veto acceptance of the panel's findings by the Committee on Subsidies and Counterveiling Measures. Among its objections, the European Community disagrees with the establishment of the dispute settlement panel under the

Table 3
Nominal U.S. exports and trade balances, not seasonally adjusted, of specified manufacturing sectors, January 1990-December 1991

Sector	Exports Jan.-Dec. 1991	Exports Dec. 1991	Change Jan.-Dec. 1991 over Jan.-Dec. 1990	Change Dec. 1991 over Nov. 1991	Share of total Jan.-Dec. 1991	Trade balances Jan.-Dec. 1991
	Billion dollars		Percent			Billion dollars
ADP equipment & office machinery	26.0	2.4	5.0	8.5	6.2	-4.11
Airplanes	24.2	2.3	23.1	-21.6	5.7	20.72
Airplane parts	10.3	0.9	4.6	0	2.4	6.17
Electrical machinery	29.9	2.2	5.4	-13.9	7.1	-5.16
General industrial machinery	17.1	1.4	8.1	1.4	4.1	2.69
Iron & steel mill products	4.2	0.3	28.8	0	1.0	-4.10
Inorganic chemicals	4.1	0.3	7.3	-21.6	1.0	0.80
Organic chemicals	10.9	0.9	4.8	11.5	2.6	2.77
Power-generating machinery	17.0	1.6	7.5	5.4	4.0	2.74
Scientific instruments	13.5	1.1	11.3	-2.6	3.2	6.73
Specialized industrial machinery	16.6	1.3	8.4	-5.0	3.9	5.66
Telecommunications	10.0	0.9	9.1	1.1	2.4	-13.50
Textile yarns, fabrics and articles	5.5	0.4	10.3	-8.5	1.3	-1.53
Vehicle parts	14.3	1.1	-1.1	-14.8	3.4	0.23
Other manufactured goods[1]	25.1	2.3	12.9	27.4	6.0	-4.95
Manufactured exports not included above	97.3	7.6	10.3	-8.0	23.1	-82.37
Total manufactures	325.9	27.0	9.3	-4.2	77.3	-67.21
Agriculture	38.5	3.8	-0.7	-3.0	9.1	16.29
Other exports	57.5	4.5	1.6	0.2	13.6	-15.29
Total	421.9	35.3	7.2	-3.5	100.0	-66.21

[1] This is an official U.S. Department of Commerce commodity grouping.

Note.—Because of rounding, figures may not add to total shown.

Source: *U.S. Department of Commerce News (FT900)*, Feb. 1992.

Subsidies Code rather than under the more liberal Civil Aircraft Code. The EC has also countered that the U.S. aircraft manufacturing has benefited significantly from indirect subsidies from the U.S. Government, largely through defense contracts. An EC-sponsored study released in December 1991 estimated that these indirect subsidies amounted to between $34 and $42 billion during the period 1976-1990. In addition, Airbus has recently announced plans to repay over $4 billion by 1996 to the supporting Governments.

Despite the possibility of a Committee reversal, however, the panel findings will undoubtedly have a significant effect on the 5-year dispute between the European Community and United States over development subsidies for the aircraft-manufacturing industry. This dispute is expected to continue through bilateral negotiations and possibly through the formation of another GATT dispute settlement panel. The most recent discussions between the United States and the EC concluded unsuccessfully in September 1991. The United States has threatened to request a second panel to investigate development subsidies if bilateral negotiations fail.

Economic Reform Picks Up Pace in Albania; U.S. and European Investors Show Interest

The trend toward economic and political freedom in Eastern Europe has finally caught up with Albania, the region's last bastion of nonmarket economic ideology and practice. In 1990, domestic unrest and external pressure forced the country's communist leadership, which had been in power since 1946, to

Table 4
U.S. merchandise trade deficits (-) and surpluses (+), not seasonally adjusted, with specified areas, January 1990-December 1991

(Billion dollars)

Area or country	*December 1991*	*November 1991*	*December 1990*	*January-December 1991*	*January-December 1990*
Japan	-4.46	-3.41	-3.43	-43.44	-41.10
Canada	-0.92	-0.93	-0.86	-6.04	-7.71
Germany	-0.60	-0.48	-0.47	-4.91	-9.40
EC	+1.16	+1.75	+1.31	+16.73	+6.25
Western Europe	+1.11	+1.71	+1.62	+16.13	+4.03
EFTA.	-0.08	-0.10	+0.12	-1.79	-3.24
NICs[1]	-1.15	-1.23	-1.17	-13.67	-19.84
C.I.S	+0.29	+0.45	+0.04	+2.76	+2.03
China	-1.03	-1.34	-0.75	-12.69	-10.43
OPEC	-0.67	-0.85	-1.89	-13.88	-24.35
Total trade balance	-5.64	-5.28	-6.21	-66.20	-101.72

[1] NICs include Singapore, Hong Kong, Taiwan, and the Republic of Korea.

Note.—The difference between trade balances shown in total exports table and those shown in the above (country/area) table represents exports of certain grains, oilseeds, and satellites that are not included in the country/area exports. A corrected version of the February *IER* edition of this table is included at the end of this report.

Source: *U.S. Department of Commerce News (FT-900)*, Feb. 1992.

begin the process of political and economic liberalization. The first measures proved to be inadequate or poorly implemented. Strikes and mass emigration continued during 1991, and the national economy virtually collapsed. According to preliminary estimates, agricultural production declined by 55 percent in 1991, industrial production by 33 percent, and exports by 80 percent. The annual rate of inflation was an estimated 200 percent in 1991. Despite all these difficulties, analysts see a growing momentum in the transformation of Albania into a full-fledged constitutional democracy and a market economy that offers opportunities for foreign trade and investment.

In recognition of Albania's progress toward political and economic freedoms, the United States reestablished diplomatic relations with Tirana in March, 1991, and joined other industrialized countries to provide aid and assistance to the troubled nation. In June 1991, the United States pledged $6 million in humanitarian aid and technical assistance to help create democratic institutions in the country. In November 1991, Albanian and U.S. officials signed an agreement under which U.S. investments in Albania will be eligible for loans, insurance, and other services from the U.S. Overseas Private Investment Corporation (OPIC). (OPIC is a self-supporting public enterprise that promotes U.S. investment in approximately 120 developing countries.)

Total aid and assistance extended or pledged to Albania is currently estimated to be $70 million. The Governments of Italy and Germany, and the EC as a separate organization are providing the largest donations. The Organization for Economic Cooperation and Development (OECD) has included Albania in its assistance program for central and Eastern Europe, and the country became a member of the European Bank for Reconstruction and Development. The World Bank and the International Monetary Fund (IMF) have accepted Albania's membership application.

Albania is one of the smallest and poorest countries in Europe. It has a population of only 3.2 million and a per capita gross domestic product of less than $1,200. Nevertheless, its potential transformation to an open economy has stirred surprisingly great interest among Western businessmen. The explanation lies in the country's relatively low-wage labor force, its natural resources, scenic assets, varied commercial contacts, and good seaports (mainly Durres, Vlore, Sarande, and Shengjin). Albania produces approximately 1.2 million tons of chromium per year, making it the third- largest producer of this metal after the C.I.S. and South Africa. Moreover, it has unexploited reserves of oil, copper, and hydroelectric power. Hydropower furnishes 80 percent of Albania's energy supplies. Until the 1990 draught, the country exported significant amounts of hydroelectric power to Yugoslavia and Greece. Albania's landscape could make it an attractive area for tourism, offering ample opportunities for firms wishing to develop the related hotel and service infrastructure.

Albania's trade turnover (exports plus imports) amounted to approximately $1.1 billion in 1989, which was the last year before the onset of economic crisis. The turnover dropped to an estimated $594 million in 1991. Although these numbers are minuscule by world standards, Albania has established trade relations with at least 50 countries. Commercial relations appear to be particularly good with Italy, Germany, Greece, Czechoslovakia, Poland, Romania, Bulgaria, Hungary, and China. Albania is in the process of strengthening its commercial ties with Slove-

nia, Croatia, and the predominantly Albanian-populated Kosovo in Yugoslav territory. Tirana is also building new commercial ties with members of the C.I.S. and the Baltic countries. Many Albanians live in other parts of Europe and overseas and may help in the process of establishing business contacts with the Southeast European nation.

The commodity structure of Albania's trade is relatively diverse. Exports, amounting to an estimated $122 million in 1991, comprised the following major commodity groups: 54.3 percent fuels, minerals, and metals; 17.2 percent food; 16.7 percent non-food raw material of agricultural origin; 9.8 percent industrial consumer goods; 1.4 percent construction materials; and 0.6 percent chemicals, fertilizers, and rubber. Imports, amounting to an estimated $472 million in 1991, comprised the following major categories: 28.2 percent machinery and equipment; 26.0 percent fuels, minerals, and metals; 17.9 percent non-food raw materials of agricultural origin; 12.1 percent chemicals, fertilizer, and rubber; 7.8 percent industrial consumer goods; 7.2 percent food; and 0.8 percent construction material.

U.S. trade with Albania is token. U.S. exports plus imports were an estimated $17.5 million in 1991. U.S. exports to Albania amounted to $14.5 million in 1991, with bituminous coal ($6.7 million) as the largest item. U.S. imports from Albania totaled $3.0 million in 1991, consisting mainly of plants and plant seeds. Although Albania has liberalized its trade regime as part of the economic reform package, the country's convertible currency shortage prevents it from increasing its imports significantly.

Western businessmen are interested primarily in investing in the country's export sector. On July 31, 1990, Albania passed its first foreign investment laws: Decree No. 7406, which protects investors from expropriation; and Decree No. 7407, which regulates the activities of joint ventures including capital repatriation. The modernization of the country's legal, accounting, and commercial systems has begun. Western oil companies were the first to take advantage of the new opportunity. Occidental Petroleum, Chevron, AGIP (Italy), and TOTAL (France) all signed agreements for exploration in 1991. Ten smaller U.S. oil companies are currently exploring the possibility of establishing a foothold in the country.

The newly created Washington D.C.-based Albanian-American Trade Association is the clearing house for U.S. interest in exporting to or investing in Albania. According to the association's executive director, Robert Gordon, interest in Albania is widespread in the U.S. business community. The association has collected a list of U.S. firms that expressed interest in doing business in the country and forwarded it to the Albanian Chamber of Commerce.

Analysts expect 1992 to be the turning point in Albania's quest for economic and political liberalization and for economic recovery. Negotiations over a trade agreement between the United States and Albania, which would provide for the reciprocal extension of most-favored-nation tariff status, could begin during 1992. Starting with data published for the fourth quarter of 1991, the U.S. International Trade Commission will include Albania among the countries of Central and Eastern Europe in its quarterly reports on trade with the nonmarket economies and with the economies in transition. (The report will be published in April 1992.)

IMF Support for Brazil; New Hopes and their Implications

In January, the International Monetary Fund (IMF) approved a standby credit arrangement for the Government of Brazil, authorizing it to draw an amount up to SDR 1.5 billion (some $2.1 billion) through the end of August 1993. This credit agreement reflects IMF support for Brazil's latest economic and financial program for 1992-93 and, more important, it is expected to pave the way to a long-awaited accord between Brazil and individual creditor nations and commercial banks. Such an agreement would ease Brazil's burden in servicing its massive foreign debt. It appears that this renewed relationship between Brazil and the IMF, after a long hiatus, indicates that Brazil is now finally emerging from its seemingly endless economic troubles.

Brazil started a gradual opening of its protectionist and isolationist trade regime in 1985, but it now has the reputation of being among the less successful Latin American countries in implementing a comprehensive market reform program. Certainly Brazil is considered behind such notable success stories as Chile, Mexico, and Venezuela in their shift to market economies and the economic stabilization and revival of the same countries.

Prospects seemed good in March 1990, when Collor de Mello was inaugurated as Brazil's new president. At the time, Mr. Collor immediately declared his intention of proceeding with a swift and comprehensive liberalization of Brazil's foreign trade and investment regime, the privatization of the country's large state-owned sector, and a deregulation program. It turned out, however, that progress towards these objectives was mainly restricted to actions related to foreign trade. Relief from other anticompetitive constraints in the economy and the removal of certain foreign investment barriers lagged behind those of many other Latin American countries. The principal reasons for Brazil's falling behind were lack of political consensus, constitutional restrictions to reforms, and, last but not least, a declining overall confidence in a new Government that failed to stabilize the economy as promised.

For an extended period that includes several years before the Collor regime, Brazil has been mired in seemingly intractable economic problems. Their solution eluded the new administration despite its apparent commitment to a promising economic strategy. This was a major disappointment for the Brazilians,

and led to their widespread and deep pessimism about the future. The Collor government's performance compares poorly with those of several other Latin American administrations in reviving their economies, harnessing inflation, and finding constructive ways of easing their countries' foreign debt burden.

After severe economic contraction in 1990 (a decline of the GDP by 5.1 percent,) the Brazilian economy remained flat in 1991. The 1990 rate of inflation in Brazil reached 1,485 percent, despite the new Government's extraordinary efforts to control it, which included a drastic—and severely recessionary—reduction of liquidity. In 1991, Brazil's inflationary spiral continued, although at a somewhat slower rate (preliminary estimate is 400 to 500 percent for the year.) The monthly rate of inflation reportedly still exceeded 20 percent in January 1992.

However, Brazil now has a relatively new economic minister—the second one under the Collor administration—in the person of Marcilio Marques Moreira, who reportedly commands wide respect both in Brazil and abroad. According to a recent poll, Mr. Moreira raised the level of business confidence significantly compared with that of about a year ago. There is a consensus that an agreement on debt and debt service reduction between Brazil and the so-called Paris Club of commercial bank-creditors, which is now likely to follow the accord with the IMF, would free new foreign trade and investment credits that have been long denied to Brazil. Access to credit, in turn, would boost business confidence, both domestic and foreign.

Brazil's economic targets for 1992-93, which have been approved by the IMF, promise a gradual but sustained reduction of inflation to be achieved through a very tight credit policy. Fiscal policy would also be strengthened and would include a two-stage tax reform. The program promises that the privatization of public enterprises, which only got off the ground late in 1991, would continue vigorously. Exchange rate policy would remain flexible and be fine-tuned to support the conflicting goals of controlling inflation through import support (calling for high exchange rates,) and the competitiveness of exports (calling for low exchange rates.)

If Brazil's economy were, indeed, stabilized, and revived through functioning market forces, the United States would also benefit. Brazil is the second-largest U.S. trading partner in Latin America after Mexico, with already fast-growing markets for U.S. products. With U.S. merchandise exports to Brazil growing steadily while U.S. imports from Brazil are on the decline, the deficit of the United States in this trade narrowed every year since 1988. In fact, this deficit is expected by some to turn into a surplus for the United States, since existing impediments to U.S. access—such as an informatics market reserved to Brazilians until the end of this year, and insufficient patent protection for pharmaceuticals—will soon be phased out.

U.S. opportunities in Brazil are especially good for exports of merchandise. For services, opportunities are more long-term, because Brazil's barriers against foreign services are more resistant to liberalization. U.S. providers of financial, insurance, engineering and other services would be the principal beneficiaries of their eventual disappearance.

In addition, once Brazil's existing foreign capital participation limits in sensitive areas—such as informatics, mining, services—are eased, foreign investors, primarily from the United States, can be counted on to take great interest in Brazil's abundant natural resources and its market of some 150 million.

As one of four countries that form the regional group of Latin America's Southern Cone (MERCOSUR,) Brazil signed a multilateral framework agreement with the United States in 1991, in response to the 1990 Enterprise for the America's Initiative (EAI) of President Bush. This accord commits Brazil to act on certain principles and to maintain a continuous dialogue with the United States on issues of common corncern. This framework agreement is one more positive sign that still existing impediments of U.S. access, especially to services and investment in Brazil, should be on their way out. Therefore, the outlook for U.S. interests in Brazil is generally promising, even though tempered by Brazil's continued need to maintain a positive trade balance and follow policies of austerity to finance its debt repayment obligations.

A Department of Commerce Ruling Opens the Door to Countervailing Duty Cases Against China

On September 10, 1991, the U.S. Department of Commerce published a determination of sales at less than fair value in an antidumping investigation on chrome-plated lug nuts from China that was based on a new approach. This approach recognizes that the prices of some factors of production in a nonmarket economy (NME) may be determined by market forces when that NME is undergoing a transition to a market-oriented economy.

Before adopting this new methodology, Commerce first considered the claim of the Chinese producer that the chrome-plated lug nut sector qualified as a "bubble of capitalism"—a sector within a centrally planned economy in which reforms have progressed to the point that all prices and costs faced by producers in that sector are determined by the market. If this were found to be the case, Commerce could then abandon the surrogate market-economy country methodology it uses to calculate what the costs of production would be in China (or in any NME) if it were a market economy. Instead, the Chinese (NME) producer could be treated as if it were a market-economy producer, and Commerce could employ the standards it uses to determine whether a producer in a market economy is charging a fair price for its product in the U.S. market.

Commerce found, however, that the lug nuts sector did not represent a bubble of capitalism because not all the prices or costs of inputs used in the production of the product were determined by the market. To find such a bubble of capitalism in a NME, Commerce believes, would be an exceptional event. On the other hand, some input prices were found to be market determined, and Commerce decided that it was appropriate to use those prices in lieu of the values of a surrogate market-economy producer. In making this determination, Commerce noted that "there is nothing to be gained in terms of accuracy, fairness, or predictability in using surrogate values when market-determined values exist in the NME country. Indeed, where we can determine that a NME producer's input prices are market determined, accuracy, fairness, and predictability are enhanced by using those prices." For those inputs whose prices were not determined by the market, Commerce continued to rely on surrogate country values.

To determine whether particular inputs were market driven, Commerce analyzed the extent to which each factor of production was state controlled. It found no evidence of state involvement in the setting of prices for two key inputs—steel and chemicals—and therefore used the prices paid by Lu Dong, the sole Chinese manufacturer-exporter of chrome-plated lug nuts during the period of the investigation. Although Lu Dong's primary supplier of steel was the Beijing Iron and Steel Company (BISC), a state-owned enterprise, BISC was required to sell only 45 percent of its production at state-controlled prices to buyers named by the Chinese Government. It could sell its remaining production on the open market, i.e., without any interference from the Government. Commerce verified that Lu Dong purchased steel from BISC through the open market. It also found that Lu Dong appeared to select chemical suppliers on the basis of price and proximity. Using several local suppliers, Lu Dong negotiated a price and then placed an order. On the other hand, the prices of other inputs—including labor, land, and electricity and water—were found to be partly or wholly controlled by the state. Pakistan was the surrogate market economy used by Commerce to value these factors of production. One noteworthy result of using the Chinese prices for steel and chemicals was a significantly lower final dumping margin of 4.24 percent. The preliminary dumping margin, based entirely on surrogate country values, was 66.49 percent.

By implicitly recognizing, however, that central planning no longer dominates all sectors of the Chinese economy, Commerce also opened the door to subsidy or countervailing duty (CVD) investigations against China (and presumably against other countries in transition from NMEs to market-oriented economies). This door had been closed since a 1986 ruling by the U.S. Court of Appeals for the Federal Circuit, which upheld a U.S. Department of Commerce decision to reject CVD cases against NMEs on the grounds that it was impossible to establish what constitutes a subsidy in a economy in which the state controls prices and production through central planning.

Since the Commerce ruling on chrome-placed lug nuts, two CVD cases have been initiated against China. The first one was instituted on November 13, 1991, on behalf of the U.S. industry producing oscillating fans and ceiling fans, and the second one was instituted on January 9, 1992, on behalf of the U.S. industry producing chrome-plated lug nuts. The CVD investigation on fans is also based on evidence gathered during an antidumping investigation. However, unlike the lug nuts case, in which the prices of key inputs bought from Chinese enterprises were found to be market determined, almost all of the material inputs used in the production of fans were bought from market economies or from foreign-investment enterprises in southern China. This finding enabled Commerce to use the actual prices paid for these inputs rather than surrogate values. Moreover, of the 14 known producers of fans in China, only 2 are state-owned enterprises. The remaining 12 are either privately or collectively owned. In past antidumping cases, Commerce has found collectively owned enterprises in China that operate like privately owned enterprises in terms of their ability to retain profits and make investment decisions independent of the government. Therefore, the alleged facts indicate a prevalence of private or private-like ownership in the fans sector.

These two investigations to determine the existence and extent of subsidization are being carried out by the U.S. Department of Commerce. These differ from antidumping investigations, in which all cases are referred to the U.S. International Trade Commission to determine whether the Chinese exports in question are causing or threatening material injury to a U.S. industry. CVD cases require an injury finding only if the exporting country is a signatory to the Subsidies Code of the General Agreement on Tariffs and Trade (GATT). Since China is not a "country under the Agreement," duties can be assessed against the Chinese producers of fans and lug nuts should Commerce find these products are subsidized, even though the imports have little or no effect on the relevant U.S. industries.

STATISTICAL TABLES

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Industrial production, by selected countries and by specified periods, January 1988-November 1991

(Percentage change from previous period, seasonally adjusted at annual rate)

				1990	1991									
Country	*1988*	*1989*	*1990*	*IV*	*I*	*II*	*III*	*May*	*June*	*July*	*Aug.*	*Sept.*	*Oct.*	*Nov.*
United States	5.4	2.6	1.0	-7.2	-9.6	2.4	6.5	10.7	10.6	9.3	-1.1	2.2	0	-4.3
Japan	9.5	6.2	4.5	6.9	-0.5	-2.7	1.3	27.4	-29.3	45.4	-26.5	5.8	-4.6	8.8
Canada	4.4	2.3	0.3	4.8	-1.2	-6.4	-3.0	-5.4	-2.2	-1.1	-4.3	-2.2	0	-1.1
Germany	3.2	5.3	5.9	6.7	0.6	8.4	-4.4	-24.5	29.0	-5.6	-24.1	18.3	-4.8	6.1
United Kingdom	3.7	0.3	-0.8	-6.8	-1.1	-4.4	3.6	-4.5	47.1	0	-19.3	3.5	12.0	(1)
France	4.1	3.6	1.1	-10.2	1.0	3.1	1.5	-2.1	3.2	10.0	0	-13.8	17.2	(1)
Italy	6.9	3.9	-0.7	-8.1	3.9	-3.2	-9.0	17.0	30.6	-25.8	-40.6	50.1	1.1	(1)

[1] Not available.

Note.—Data presented for Germany includes information only for what was once West Germany. When data for the combined Germanies are available they will be used.

Source: *Economic and Energy Indicators*, U.S. Central Intelligence Agency, January 17, 1992.

Consumer prices, by selected countries and by specified periods, January 1989-December 1991

(Percentage change from previous period, seasonally adjusted at annual rate)

				1991									
Country	*1989*	*1990*	*1991*	*I*	*II*	*III*	*IV*	*July*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*
United States	4.8	5.4	(1)	3.5	2.1	3.0	(1)	2.7	2.7	4.5	0.9	5.4	(1)
Japan	2.3	3.1	3.3	4.3	0.9	2.0	3.6	3.5	2.5	-3.9	7.5	9.2	-2.5
Canada	5.0	4.8	(1)	11.3	2.6	2.7	(1)	1.9	2.9	0	-4.6	6.9	(1)
Germany	2.8	2.7	3.5	1.4	3.5	7.6	3.5	15.2	2.2	3.3	3.3	5.5	2.1
United Kingdom	7.8	9.5	(1)	4.2	4.2	4.2	(1)	4.7	2.1	3.3	3.4	4.3	(1)
France	3.5	3.4	(1)	2.3	2.2	3.1	(1)	3.3	3.1	2.9	3.5	5.5	(1)
Italy	6.6	6.1	6.5	6.9	6.2	5.6	5.7	5.0	4.8	5.2	5.4	7.7	4.5

[1] Not available.

Note.—Data presented for Germany includes information only for what was once West Germany. When data for the combined Germanies are available they will be used.

Source: *Economic and Energy Indicators*, U.S. Central Intelligence Agency, January 17, 1992.

Unemployment rates, (civilian labor force basis)[1] by selected countries and by specified periods, January 1989-December 1991

				1991									
Country	*1989*	*1990*	*1991*	*I*	*II*	*III*	*IV*	*July*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*
United States	5.3	5.5	6.7	6.5	6.7	6.8	6.9	6.8	6.7	6.7	6.9	6.9	7.1
Japan	2.3	2.1	(4)	2.1	2.1	2.2	(4)	2.2	2.2	2.2	2.1	2.2	(4)
Canada	7.5	8.1	10.3	10.1	10.3	10.4	10.3	10.4	10.5	10.2	10.3	10.3	10.3
Germany	5.7	5.2	4.6	4.6	4.6	4.6	4.5	4.6	4.6	4.6	4.6	4.5	4.5
United Kingdom	7.1	6.9	9.4	8.2	9.2	10.0	10.3	9.7	9.9	10.1	10.2	10.3	10.4
France	9.6	9.2	(4)	9.4	9.8	10.0	(4)	9.8	10.0	(4)	10.2	10.3	(4)
Italy[2]	7.8	7.0	(4)	6.8	6.9	6.6	(4)	6.7	(3)	(3)	(3)	(3)	(3)

[1] Seasonally adjusted; rates of foreign countries adjusted to be comparable with U.S. rate.

[2] Many Italians reported as unemployed did not actively seek work in the past 30 days, and they have been excluded for comparability with U.S. concepts. Inclusion of such persons would increase the unemployment rate to 11-12 percent in 1986-1990.

[3] Italian unemployment surveys are conducted only once a quarter, in the first month of the quarter.

[4] Not available.

Source: *Unemployment Rates in Nine Countries*, U.S. Department of Labor, February 1992.

Money-market interest rates,[1] by selected countries and by specified periods, January 1989-February 1992

(Percentage, annual rates)

Country	1989	1990	1991	1991 I	1991 II	1991 III	1991 IV	1991 Aug.	1991 Sept.	1991 Oct.	1991 Nov.	1991 Dec.	1992 Jan.	1992 Feb.
United States	9.3	8.3	5.9	6.8	6.1	5.8	5.0	5.6	5.5	5.3	4.9	4.4	4.5	4.0
Japan	5.3	6.9	(2)	7.7	7.6	7.6	(2)	7.6	7.6	9.3	9.5	(2)	(2)	(2)
Canada	12.2	13.0	9.0	10.5	9.2	8.7	7.8	8.7	8.6	8.3	7.7	7.4	(2)	(2)
Germany	7.0	8.5	9.2	9.1	9.0	9.2	9.4	9.2	9.2	9.2	9.3	9.6	(2)	(2)
United Kingdom	13.3	14.8	11.5	13.1	11.5	10.7	10.5	10.9	10.2	11.5	10.5	10.7	(2)	(2)
France	9.2	10.3	9.5	9.7	9.3	9.5	9.6	9.5	9.4	10.4	9.23	9.5	(2)	(2)
Italy	12.7	12.7	12.1	12.7	11.7	11.8	12.0	11.9	11.7	11.5	11.9	12.6	(2)	(2)

[1] 90-day certificate of deposit.

[2] Not available.

Note.—Data presented for Germany includes information only for what was once West Germany. When data for the combined Germanies are available they will be used.

Source: *Federal Reserve Statistical Release, March, 1992 Economic and Energy Indicators*, U.S. Central Intelligence Agency, January 17, 1992.

Effective exchange rates of the U.S. dollar, unadjusted for inflation differential, by specified periods, January 1989-January 1992

(Percentage change from previous period)

Item	1989	1990	1991	1991 I	1991 II	1991 III	1991 IV	1991 Sept.	1991 Oct.	1991 Nov.	1991 Dec.	1992 Jan.
Unadjusted:												
Index[1]	91.3	86.5	85.5	82.8	87.7	87.6	84.0	86.1	85.3	83.8	82.8	83.0
Percentage change	6.4	-5.3	-1.2	1.3	5.6	-.1	-4.1	-1.9	-.9	-1.7	-1.2	.2
Adjusted: Index[1]	91.8	88.1	87.0	85.2	89.6	88.4	85.6	86.8	86.9	85.4	84.4	84.6
Percentage change	6.8	-4.0	-1.2	1.3	4.9	-.1	-3.2	-2.3	-1.0	-1.7	-1.2	.2

[1] 1980-82 average=100.

Note.—The foreign-currency value of the U.S. dollar is a trade-weighted average in terms of the currencies of 15 other major nations. The inflation-adjusted measure shows the change in the dollar's value after adjusting for the inflation rates in the United States and in other nations; thus, a decline in this measure suggests an increase in U.S. price competitiveness.

Source: Morgan Guaranty Trust Co.of New York, February 1992.

Trade balances, by selected countries and by specified periods, January 1988-December 1991

(In billions of U.S. dollars, f.o.b. basis, at an annual rate)

					1991										
Country	*1988*	*1989*	*1990*	*1991*	*I*	*II*	*III*	*IV*	*Jun.*	*Jul.*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*
United States[1]	-118.5	-109.1	-101.7	-66.2	-62.4	-52.2	-72.4	-65.7	-45.5	-71.4	-78.4	-83.2	-75.8	-50.0	-71.2
Japan	94.9	77.4	63.2	([3])	87.6	94.0	110.0	([3])	104.4	99.6	115.2	115.2	115.2	108.0	([3])
Canada	8.2	5.9	9.3	([3])	9.2	10.4	3.2	([3])	8.4	1.2	12.0	-3.6	1.2	([3])	([3])
Germany[2]	72.9	72.0	60.4	([3])	13.6	-0.8	([3])	([3])	-7.2	0	16.8	([3])	([3])	([3])	([3])
United Kingdom	-37.5	-39.3	-32.0	([3])	-21.6	-14.0	-14.4	([3])	-7.2	-12.0	-15.6	-19.2	-18.0	-19.2	([3])
France	-5.5	-7.0	-9.4	([3])	-10.4	-5.2	-7.6	([3])	-7.2	-8.4	-7.2	-6.0	13.2	1.2	([3])
Italy	-11.1	-13.0	-11.8	([3])	-1.6	-17.2	-18.4	([3])	-10.8	-26.4	-10.8	-19.2	-16.8	-13.2	([3])

[1] 1986, exports, f.a.s. value, adjusted; imports, c.i.f. value, adjusted. Beginning with 1987, figures were adjusted to reflect change in U.S. Department of Commerce reporting of imports at customs value, seasonally adjusted, rather than c.i.f. value.

[2] Imports, c.i.f. value, adjusted.

[3] Not available.

Note.—Data presented for Germany includes information only for what was once West Germany. When data for the combined Germanies are available they will be used.

Source: *Economic and Energy Indicators*, U.S. Central Intelligence Agency, January 17, 1992; and *Advance Report on U.S. Merchandise Trade*, U.S. Department of Commerce, February 20, 1992.

U.S. trade balance,[1] by major commodity categories,and by specified periods, January 1988-December 1991

(In billions of dollars)

					1991									
Country	*1988*	*1989*	*1990*	*1991*	*I*	*II*	*III*	*IV*	*Jul.*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*
Commodity categories:														
Agriculture	13.9	17.9	16.3	16.2	4.4	2.8	3.3	5.4	1.1	1.1	1.1	1.5	2.1	1.8
Petroleum and selected product—(unadjusted) ...	-38.1	-44.7	-54.6	-42.3	-10.4	-10.0	-10.9	10.0	-3.3	-3.9	-3.7	-3.5	-3.3	-3.2
Manufactured goods	-146.1	-103.2	-90.1	-67.2	-14.7	-10.5	-20.9	-21.5	-7.6	-7.0	-6.2	-9.3	-6.0	-6.2
Selected countries:														
Western Europe ..	-12.5	-1.3	4.0	16.1	5.7	5.1	1.9	3.3	-.01	.7	1.3	.5	1.7	1.1
Canada[2]	-9.7	-9.6	-7.7	-6.0	-1.4	-1.0	-1.5	-2.1	-.4	-.7	-.3	-.3	-.9	-.9
Japan	-51.7	-49.0	-41.0	-43.4	-10.3	-8.9	-11.7	-12.4	-3.8	-3.7	-4.2	-4.6	-3.4	-4.4
OPEC (unadjusted) ...	-8.9	-17.3	-24.3	-13.8	-4.3	-3.3	-3.5	-2.5	-1.1	-1.4	-1.0	-1.1	-.8	-.6
Unit value of U.S. imports of petroleum and selected products (unadjusted)[3]	$18.12	$16.80	$19.75	$17.49	$19.57	$16.44	$16.65	$17.52	$16.08	$16.79	$17.09	$17.98	$18.04	$16.55

[1] Exports, f.a.s. value, unadjusted. 1986-88 imports, c.i.f. value, unadjusted; 1989 imports, customs value, unadjusted.

[2] Beginning with February 1987, figures include previously undocumented exports to Canada.

[3] Beginning with 1988, figures were adjusted to reflect change in U.S. Department of Commerce reporting of imports at customs value, seasonally unadjusted, rather than c.i.f. value.

Source: Advance Report on U.S. Merchandise Trade, U.S. Department of Commerce, February 20, 1992.

Due to an error in production, table 5 on page 7 of the February *International Economic Review*, contained inaccurate column headings. A corrected version of table 5 is presented below.

Table 5
U.S. merchandise trade deficits (-) and surpluses (+), not seasonally adjusted, with specified areas, January 1990-November 1991

(Billion dollars)

Area or country	*November 1991*	*October 1991*	*November 1990*	*January-November 1991*	*January-November 1990*
Japan	-3.41	-4.64	-3.71	-38.97	-37.67
Canada	-0.63	-0.31	-1.08	-4.82	-6.84
Germany	-0.48	-0.84	-0.86	-4.31	-8.93
EC	+1.75	+0.73	+0.05	+15.56	+4.95
Western Europe	+1.71	+0.52	-0.29	+15.02	+2.41
European Free trade Association(EFTA)	-0.10	-0.26	-0.43	-1.71	-3.36
NICs[1]	-1.23	-2.16	-1.58	-12.52	-18.67
C.I.S.[2]	+0.46	+0.25	+0.02	+2.47	+1.98
China	-1.34	-1.65	-1.04	-11.66	-9.68
OPEC	-0.85	-1.12	-2.52	-13.21	-22.46
Total trade balance	-4.65	-8.59	-10.53	-59.94	-95.51

[1] NICs include Singapore, Hong Kong, Taiwan, and the Republic of Korea.

[2] Commonwealth of Independent States, previously the U.S.S.R.

Note.—The difference between trade balances shown in total exports table and those shown in the above (country/area) table represents exports of certain grains, oilseeds, and satellites that are not included in the country/area exports.

Source: *U.S. Department of Commerce News (FT-900)*, January 1992.

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